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Note for the DCI  
 From NIO/USSR  
 Subject: Gorbachev Game Plan

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I just learned something particularly disturbing from [REDACTED] who sat in on the Oval Office briefing yesterday. He's been in on most of the summit preparations and many of the sessions with the President. He said that, until Gates and I made them to the President yesterday, nobody has been telling him the way we read the Gorbachev game plan at the summit:

Gorbachev does not now count on specific agreements at the summit to get him breathing space in the form of a relaxation of the US challenge (although he would be greatly pleased to get such things as reaffirmation of the ABM treaty and SALT II).

Rather he is after, at a minimum, a positive political atmosphere and outcomes, such as the promise of more summits in the near future; which will perpetuate the pre-summit pressures on and within the Administration, make it harder to win on SDI and defense in Congress; and gradually dissolve the President's overall national security program for the rest of his term.

We've had this assessment for about two months and have given you many point papers on it. Very recent intelligence reports on how Gorbachev will act in and after Geneva tend to bear it out.

The President's rhetoric -- in public and in our Oval Office session -- plays right into this Soviet calculation: "Chart a positive course", etc., etc. He will get a vaguely promising outcome from the meeting with Gorbachev, following which all of his anti-Soviet policies (SDI, support to freedom fighters) will be seen as obstacles to the progress that has been promised.

To combat this, all the nasty aspects of our view of the USSR must be very up front both in the meeting and in public. If, as we suspect, Gorbachev is very eager for a positive outcome anyway, then our anti-Soviet policies won't seem like obstacles, but rather the requirements for progress toward a better relationship with Moscow.

But things don't seem to be going this way. I've learned that the President ordered deletion of Afghanistan from his speech tonight. The talking points prepared by State for him present the US as having very parallel interests and even domestic needs (sic!) with the USSR; they are politically wrong-headed and very insipid.

You have one last chance to go over this with McFarlane tonight. You could use the attached points from earlier in the week.

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NIO/USSR  
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## NIC OUTLOOK MEETING WITH DCI NIO/USSR

1. Once Again on Gorbachev's Game Plan: The Summit Outlook

By now we've said what we can, but it's worth recapping.

Gorbachev wants a breathing space for the USSR in the form of some relief from the more intensely competitive behavior of the United States seen in the last five years, specifically:

from our rising defense spending;

from our more vigorous weapons development, especially SDI and new conventional weapons;

from greater US engagement in regional issues;

and from our more challenging political stance toward his system and its behavior.

He wants this breathing space for two reasons:

First, and most important, he wants to devote more economic resources and leadership attention, at the margin, to fixing the deep problems of a very unhealthy economy and society. Doing so will be the measure of his time in power.

Second, a breathing space like the one-sided detente of the 1970s would also allow the USSR to expand its influence at low cost and risk in the Third World and among US allies.

Gorbachev is as yet not ready to pay anything substantial in the form of concessions to the US on vital security issues -- arms control or regional conflicts -- or human rights. He wants a breather on the cheap, and believes he can get it.

While sweeping, his arms control position is one-sided, demands great concessions from the US on SDI, and would take years to negotiate in any case. Making his proposal involved no real concession so far.

So far, Gorbachev has signalled no real flexibility on the regional issues. He appears determined to back his Leninist clients in the Third World and to hang tough on Afghanistan. With the exception of Afghanistan, the USSR's Third World adventures are not that costly or risky now. Their real cost is the possibility that they will continue to inspire strong competitive behavior from the US on all fronts. But this is not certain. [See Item #3 below]

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Gorbachev will clearly do what he can to exploit and deepen fissures in US alliance relationships by a more activist foreign policy. He sees a detente environment as offering a favorable setting, but will try do this no matter what the atmosphere.

He shows no sign of readiness to move toward liberalizing the human rights situation inside the USSR, except for some cosmetic gestures; and is pressing for more discipline out of East Europe.

At this point, Gorbachev is not counting on specific concessions from the US that give him his breathing space. At the summit, what he is after is an atmospheric result and a continuing political process that encourage a relaxation of pressures from the US through other forces over the rest of the President's term. He wants to convince publics, Congress, allies, and the President himself (if he can), that Moscow is willing to be reasonable, but cannot be pushed. Coming out of Geneva, he wants all these parties to believe that Washington bears the main burden to make concessions and accommodations for the sake of better US-Soviet relations. If he can create this perception, over time the burden will wear down the Reagan administration and deliver a more accommodating president in the next election.

As he watches the fate of defense budgets and other security issues in the US Congress, he sees how this can happen in the last years of the Reagan presidency.

At the summit, Gorbachev will not be open to persuasion that his views and policies are wrong.

Both his personality as a counterpuncher and his system run against his letting himself be persuaded.

On the contrary he will be out to take the measure of the President and to persuade him that his anti-Soviet policies are wrong and can easily be altered because Moscow will be forthcoming if the US makes concessions.

Gorbachev is, indeed, likely to use the argument that Soviet domestic problems "prove" the Soviets will be reasonable -- if only the US signs up to peaceful coexistence on Soviet terms. He did this in Time.

There is not much the President can do to change Gorbachev's position at the summit. His most important and achievable task is to inject doubt in the minds of Gorbachev and his team that they can get a cheap breathing space without serious concessions, solely by playing on atmosphere, the Congress, etc.

This places a premium on the following:

At the summit, the President conveys confidence in the rightness of his policy course, in its congruence with US national interests and

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the cause of peace, and in his ability to stay the course and make it a lasting part of American politics.

After the summit, the President demonstrates his ability to keep his national security agenda on course in the Congress.

## 2. NIE on "Domestic Stresses on the Soviet System" and Implications

As this NIE nears completion, there are still likely to be important arguments among NFIB agencies as to whether and just how much Soviet domestic, mainly economic, troubles oblige Gorbachev to hold to a flat or even go to a reduced level of defense spending. Nevertheless, as of now, there is agreement that:

Soviet internal troubles are deep and serious, both as regards the economy and the surrounding political and social environment.

Gorbachev's likely conservative strategy for addressing them will probably not make the Soviet system a great deal healthier in the next five years. Even if he takes more reformist steps than we think likely, it will still take longer to make serious improvements. Moreover, many domestic initiatives (e.g., cadre replacement and management reform) will produce more social tension before they produce better system performance.

All in all, the domestic scene is a heavier drag on the USSR's effectiveness as a superpower than ever.

Nevertheless (and this goes beyond the NIE), the USSR can still field a lot of new military power at reduced levels of defense spending, because it is operating from such a high base of production and active forces, and can still pursue its policies in the Third World, unless we make them more costly and risky.

Thus, Gorbachev has a middle option between intensifying Soviet competitive effort and making concessions (which the NIE now mentions) of reducing defense spending somewhat and only for a finite period of four or five years, while stiff-arming the US on security issues and trying to work our allies. His ability to get away with this depends on a US Congress which fails to support the Administration on defense and regional security.

[A footnote: In one of the last substantive debriefs before redefecting, Yurchenko said on these matters that the KGB does not report to the leadership on broad domestic conditions (which helps explain why they have been slow to get the picture), that religious adherence, while no real political threat, is growing in the USSR (our view as well), that Russian nationalism is on the rise (ditto), and that the KGB likes détente because of the "operational opportunities" as well as the economic help it brings the USSR (no surprise here).

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### 3. Regional Security Issues and the Summit

As of this point, we suspect the Soviets do not take the President's initiative on regional security issues seriously and may doubt whether the President takes it too seriously either. In any case, the Administration's effort to get the regional issues into central focus at the summit was a failure; they do not appear (from what we've been able to learn) to have gotten much attention during Shultz-Shevardnadze-Gorbachev.

The basic point is that the US has not, as yet, given the Soviets a powerful reason to back away from their adventures or from the formula for implanting and defending Marxist-Leninist regimes.

Arrayed against their total security effort, the total cost of these adventures, including economic support for Cuba and Vietnam, and the military costs of Afghanistan, is not staggeringly large. There is disgruntlement about this cost among Soviet elites and public, but not enough to change Soviet policy.

More important, the risks of Soviet policy in the Third World are not great. Although the US administration is committed in principle to supporting Soviet opponents and to making Moscow's policy fail, it is severely limited in doing so. And it cannot credibly threaten to raise the level of these conflicts to the point where Moscow must dramatically escalate its own actions, face a confrontation with the US, or get defeated.

At the summit, the Soviets are likely to rebut US arguments about the evils of what they are doing by denouncing our policies in their terms. They are likely to shrug off arguments about the dangers and risks of what they are doing because they doubt we can make it dangerous or risky.

At the margin, they may show a little interest in "negotiated settlements" of a vague sort (not including the local opposition) in order to encourage those on our side who want to desert the various groups fighting them.

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